
From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Friday, June 22, 2012 9:43 AM
To: H
Subject: Fw: Alan Eyre analysis : Answer to Your Question re Baztab Article/Rafsanjani Comments

Fyi

From: Sherman, Wendy R
Sent: Friday, June 22, 2012 09:31 AM
To: Burns, William J; Sullivan, Jacob J; Einhorn, Robert J
Subject: Alan Eyre analysis : Answer to Your Question re Baztab Article/Rafsanjani Comments

FYI

From: Eyre, Alan E
Sent: Friday, June 22, 2012 9:21 AM
To: Sherman, Wendy R; Grantham, Chris W
Subject: Fw: Answer to Your Question re Baztab Article/Rafsanjani Comments

Dear Under Secretary, here is my current best guess, but I will keep thinking on it, and on Moscow as a whole

From: alan eyre [mailto:]
Sent: Friday, June 22, 2012 09:13 AM
To: Eyre, Alan E
Subject: Answer to Your Question re Baztab Article/Rafsanjani Comments

B6

My Thoughts - Summary: I agree w/Sergey – they will go through with Istanbul. The Rafsanjani comments aren't important, and the Baztab article is primarily internal political posturing plus some strategic messaging. Additionally, what both the Rafsanjani comments and the Baztab article indicate is frustration in the Iranian leadership over the effects of the increasingly effective sanctions, awareness that to an extent it is boxed in by its own 'no retreat/no surrender' rhetoric, and uncertainty as to whether the U.S. is in fact using the nuclear issue as a pretext for regime change.

My Thoughts – Details: Of the two articles you sent the Rafsanjani comments were less important. He referred to the nuclear issue only in passing in remarks to religious students and pretty much just resorted to boilerplate - *"They have chosen bullying as their only method to gain opportunities to further their future goals. In fact, they want to keep their bullying dossier open and, in its shadow, to advance their arrogant policies."*

B5



Details of the Baztab Article:

Title: Nuclear Talks: We Take a Beating and We Eat Onions? We're Both Sanctioned and We Negotiate?

[note: the 'beating-onions' expression means we're getting it badly both ways]

Para One: The 'third act' of P5+1 negotiations has ended, in accordance with the desires of those sponsoring opposition to Iran, i.e. Saudi Arabia, Israel and its allies in the US. Now even more the West can influence Western public opinion as to the ineffectiveness of nuclear diplomacy with Iran based on interaction, paving the way for greater economic and political pressure and more inhumane sanctions against the Iranian people. Given this, is it logical to help the West with the next act of its Western play and cooperate in this scripted American scenario for negotiations?

Para Two: Moscow talks ended w/out results. EU/US oil and bank sanctions will become operational July 1, and there are signs that the West is moving towards approving even harsher sanctions relating to banning air and sea transportation with Iran. A second path is a military conflict, which is what the Israelis and U.S. Republicans want.

Para Three: A third path, that the Europeans, China and Russians are seeking, is Iran accepting the three conditions of stopping enrichment up to 20%, sending out all of Iran's enriched uranium and closing Fordo. And in fact the announcement by the Europeans, specifically the French and the British, of these sanctions being implemented is to put the squeeze on Iran so that it will renounce its legitimate nuclear rights and submit to accepting Western demands.

Para Four: This isn't a new [Western] approach – they did this with Libya, and when Qaddafi backed down, the West increased its demands until all of the nuclear installations including light-water reactors which had medical uses were taken from Libya, so that the pressure on the Qaddafi government abated. But it is likely that some wouldn't be satisfied with this approach for the Islamic Republic of Iran, and that after the stop of Iran's nuclear activities, the files of terrorism and human rights would be put on the table, and even now are in various stages of implementation with listings of Iranian officials.

Para Five: There are ten days for each side to make a decision concerning either the third way [Iranian acceptance of the P5+1 proposal], second way [military strike] or the first way [sanctions]. Each of the three has costs for both sides. But it is simplistic to compare the economic pressure from implementing these unilateral sanctions on Iran with the limited harms that the West will see and which it has sought to minimize by delaying these sanctions several times and by giving temporary exemptions to several countries.

Para Six: It is interesting to note that one day after the start of these sanctions against Iran, the negotiations which have been pushed down to a lower level due to their lack of results will resume, and the question will be examined of whether there are grounds for reaching an agreement and resuming [political level] discussions.

Para 7: It is foolish to assume that the West will scuttle negotiations this early. The US and Europe are in only the third act of a long story, with a long way to go before the ending. These talks are only a pretext for the West so it can insinuate into public opinion that via diplomacy it couldn't stop Iran from reaching a nuclear weapon and that it is forced to take increasingly severe measures.

Para 8: The longer the negotiations drag on without any result the more it benefits the West and the US, especially the US and its allies like the UK and France and Israel. Since war with Iran will have unpredictable costs, by influencing public opinion through their media conglomerates they can more easily convince their people that there is no alternative other than war with Iran to preserve US and Israeli national security.

Para 9: Negotiations are a joke because: the West isn't willing to meet any of Iran's demands, to include stopping even some sanctions, and is offering laughable incentives like selling military [sic – probably meant non-military] plane parts in exchange for depriving Iran of the accomplishments for which it has endured several UNSCRs and their consequences. And the West knows Iran is not willing to retreat thusly and lose face.

Para 10: For at least ten days before Moscow the senior-most Iranian officials and diplomats were emphasizing that Iran would not accept any of the three

demands of the P5+1 and therefore that carrying out Moscow by putting forward these three requests would have no point other than showing that the West was carrying out negotiations seeking to solve the nuclear issue peacefully.

Para 11: According to the Western scenario there will probably be several more rounds of negotiations along with increasing sanctions and economic/political pressure. As the situation gets tougher for Iran the West will emphasize these three demands and even possibly add to them, and then ultimately shut down negotiations, announcing that a diplomatic result is no longer possible, and point their bayonets towards Iran.

Para 12 [Money Paragraph]: With this calculation, it would be unwise to for us to meet with the West even at the experts level for negotiations, if there is at least no suspension of sanctions implementation and if sanctions go forward in ten days. To change the game and temporarily stopping this scenario, we need to make continuation of negotiations dependent on the non-implementation of sanctions, and in the coming days, before they are implemented, we should clearly announce to Ashton and the P5+1 that if the oil and bank sanctions go forward talks will be suspended.

Para 13: Of course, our refraining from talks doesn't mean the other side will be reduced to begging and pleading. But if these talks aren't beneficial to us and are beneficial to our opponents, does reason dictate we continue or we stop them?

Para 14: Facing a group that wishes to deal deathly blows to Iran's economy and cut off relations between Iran's economy and the West, and limit Iran's economic relations with the East, should Iran negotiate? The minimal expectation is that Iran suspend negotiations until sanctions are suspended or cancelled, since these sanctions, and more importantly global transportation sanctions against Iran, are no different than war with Iran,

and doubtless Iran is not Iraq where it will keep quiet in the face of this pressure up through the 'oil for food' level.